

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

| | | | | |
|---|--------------|-----------------|--------------------------------------|--------|
| Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other | | Local Unit Name | | County |
| Fiscal Year End | Opinion Date | | Date Audit Report Submitted to State | |

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

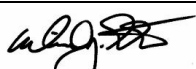
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

| | | | | |
|--|--------------------------|--|----------------|-----|
| We have enclosed the following: | Enclosed | Not Required (enter a brief justification) | | |
| Financial Statements | <input type="checkbox"/> | | | |
| The letter of Comments and Recommendations | <input type="checkbox"/> | | | |
| Other (Describe) | <input type="checkbox"/> | | | |
| Certified Public Accountant (Firm Name) | | Telephone Number | | |
| Street Address | | City | State | Zip |
| Authorizing CPA Signature  | Printed Name | | License Number | |

District Court Funds of District No. 18 Westland, Michigan

**Financial Report
with Supplemental Information
June 30, 2007**

District Court Funds of District No. 18 Westland, Michigan

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Independent Auditor's Report

To the District Judges C. Charles
Bokos and Sandra Cicirelli
District Court No. 18
Westland, Michigan

We have audited the accompanying balance sheet of the District Court Funds of District No. 18, Westland, Michigan (a component unit of the City of Westland, Michigan) as of June 30, 2007, as listed in the table of contents. This financial statement is the responsibility of the District Court's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the District Court Funds of District No. 18, Westland, Michigan at June 30, 2007, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the balance sheet. The accompanying supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statement. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Plante & Moran, PLLC

November 16, 2007

District Court Funds of District No. 18 Westland, Michigan

Management's Discussion and Analysis

Our discussion and analysis of the District Court Funds of District No. 18, Westland Michigan's (the "District Court") financial performance provides an overview of the District Court's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the District Court's financial statements.

Using this Financial Report

This financial report represents the activities of the funds of the District Court during the year. The funds of the District Court are agency funds. Therefore, the activities are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. A detailed schedule of cash receipts and disbursements is shown in the supplemental information portion of the financial report.

The District Court as a Whole

The following table shows, in a condensed format, the assets and liabilities as of June 30, 2007 and compared to the prior year:

| | 2007 | 2006 |
|-------------------------------|----------------------------|----------------------------|
| Assets - Cash (Note 2) | <u>\$ 1,104,352</u> | <u>\$ 1,053,326</u> |
| Liabilities | | |
| Due to City of Westland | \$ 413,576 | \$ 427,337 |
| Due to State of Michigan | 110,883 | 108,770 |
| Refundable bonds and other | <u>579,893</u> | <u>517,219</u> |
| Total liabilities | <u>\$ 1,104,352</u> | <u>\$ 1,053,326</u> |

The District Court's combined assets and liabilities increased approximately 4.8 percent from a year ago - increasing from \$1,053,326 to \$1,104,352. This increase is due to an aggressive court collection program. Defendants who fail to pay within the given time limits are mailed a showcause hearing notice. Failure to appear or pay by the scheduled showcause court date results in a bench warrant being issued for the defendant's arrest or suspension of the defendant's driving privileges as prescribed by state law. In addition, multiple collection notices are generated and mailed to the defendant.

District Court Funds of District No. 18 Westland, Michigan

Management's Discussion and Analysis (Continued)

Contacting the District Court's Management

This financial report is intended to provide our citizens and customers with a general overview of the District Court's activities and to show the District Court's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the District Court directly at 734-595-8720 or send email to questions18dc@aol.com.

District Court Funds of District No. 18 Westland, Michigan

Balance Sheet
June 30, 2007

| | Court Account | General Account | Constable Account | Total |
|-------------------------------|--------------------------|--------------------------|-------------------------|----------------------------|
| Assets - Cash (Note 2) | <u>\$ 529,118</u> | <u>\$ 561,717</u> | <u>\$ 13,517</u> | <u>\$ 1,104,352</u> |
| Liabilities | | | | |
| Due to City of Westland | \$ 413,576 | \$ - | \$ - | \$ 413,576 |
| Due to State of Michigan | 110,883 | - | - | 110,883 |
| Refundable bonds and other | <u>4,659</u> | <u>561,717</u> | <u>13,517</u> | <u>579,893</u> |
| Total liabilities | <u>\$ 529,118</u> | <u>\$ 561,717</u> | <u>\$ 13,517</u> | <u>\$ 1,104,352</u> |

District Court Funds of District No. 18 Westland, Michigan

**Notes to Balance Sheet
June 30, 2007**

Note 1 - Significant Accounting Policies

District Court No. 18 (the "District Court") is a component unit of the City of Westland (the "City") and is reported in the City's basic financial statements. The accounting policies of the District Court conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The funds of the District Court are agency funds. The financial activities are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Note 2 - Cash

Michigan Compiled Laws, Section 129.91, authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The District Court is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The District Court has designated one bank for the deposit of District Court funds. The investment policy adopted by the City Council in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government, bonds and securities as permitted by the statutes of the State of Michigan, bank accounts and CDs, and other such obligations.

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of bank failure, the District Court's deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had \$1,002,410 of bank deposits (checking accounts) that were uninsured and uncollateralized. The District Court believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the District Court evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Supplemental Information

District Court Funds of District No. 18

Westland, Michigan

Schedule of Cash Receipts and Disbursements Year Ended June 30, 2007

| | Court Account | General Account | Constable Account | Total |
|--|--------------------------|--------------------------|------------------------|---------------------------|
| Cash - July 1, 2006 | \$ 537,649 | \$ 504,656 | \$ 11,021 | \$ 1,053,326 |
| Receipts | | | | |
| Fines and fees collected | 5,906,606 | - | - | 5,906,606 |
| Bond receipts | - | 1,461,253 | - | 1,461,253 |
| Bond forfeitures | 244,272 | - | - | 244,272 |
| Restitutions | - | 73,679 | - | 73,679 |
| Garnishments, escrows, and other | - | 152,805 | - | 152,805 |
| Receipts for other District Court accounts | 154,920 | - | - | 154,920 |
| Transfers from other District Court accounts | - | - | 154,147 | 154,147 |
| Total receipts | 6,305,798 | 1,687,737 | 154,147 | 8,147,682 |
| Disbursements | | | | |
| Transfers to District Control Unit | 4,763,951 | - | - | 4,763,951 |
| State of Michigan | 1,345,675 | - | - | 1,345,675 |
| Wayne County, Michigan | 50,556 | - | - | 50,556 |
| Constable fees | - | - | 151,651 | 151,651 |
| Bond refunds, forfeitures, and transfers | - | 1,386,317 | - | 1,386,317 |
| Restitutions | - | 75,235 | - | 75,235 |
| Garnishments, escrows, and other | - | 169,124 | - | 169,124 |
| Transfers to other District Court accounts | 154,147 | - | - | 154,147 |
| Total disbursements | 6,314,329 | 1,630,676 | 151,651 | 8,096,656 |
| Cash - June 30, 2007 | <u>\$ 529,118</u> | <u>\$ 561,717</u> | <u>\$13,517</u> | <u>\$1,104,352</u> |